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DEPARTMENT OF STATE
WASHINGTON

June 15, 1977

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MEMORANDUM FOR: THE PRESIDENT

FROM: Warren Christopher, Acting *W.C.*

CSCE Preparatory Meeting. Today's opening session of the Belgrade preparatory meeting was purely ceremonial. At the first working session tomorrow, the United Kingdom delegation will table a "draft decision sheet" with proposed language for the decisions on timing, duration, agenda and modalities which are to be taken at the preparatory gathering. This paper was worked out by the NATO Allies in Brussels and represents a common NATO position. Our delegation will join the British in co-sponsoring the draft.

In a conversation yesterday with the head of our working delegation (Ambassador Sherer), the head of the Soviet delegation indicated that he hopes to move expeditiously through the preparatory meeting without discussion of political issues. However, he also noted the Soviet desire to have the fall meeting focus mainly on new proposals rather than on a review of implementation of the Helsinki agreement. The Soviets believe the review should be limited to plenary sessions, which would limit our ability to discuss specific problems of implementation. We will insist on a full and complete review which we do not regard as incompatible with consideration of meritorious new proposals. We will gain a better idea of the Soviet position as the meeting proceeds to discuss specific points of organization and timing.

Bulgaria. I met today with Madame Zhivkova, Chairman of the Bulgarian Cultural Committee and the daughter of Bulgarian Chief of State, Todo Zhivkov. She is here to sign our first bilateral cultural and scientific exchange agreement, and her visit signals

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a desire to improve our relations. I expressed appreciation for her Government's cooperation in the Marev case and urged that they keep up the momentum in resolving our family reunification cases.

Argentine World Bank Loans. Despite a last-minute effort by Argentina to persuade us that recent actions, including prisoner releases, signify improvement in their human rights performance, our Executive Director will abstain on two World Bank loans to Argentina that come to a vote tomorrow. One major loan provides \$100 million in industrial credits; the other extends a \$7 million credit for a soybean project. Given the grave violations in Argentina and the fact that past promises of change have come to little, we felt that we would have to see more evidence of progress in order to approve the two loans. However, we will accompany our abstention with a statement recognizing that there are signs that the situation in Argentina may be improving.

Toth Case. Although Robert Toth continues to be questioned by Soviet security officials, there is no indication that the Soviets plan to try him. We believe, however, that the "protocols" he has been required to sign may be used as testimony against Soviet Jewish activists and dissidents at some point. Toth was questioned closely about his connections with Anatoliy Shcharanskiy, who provided information last November which Toth used in an article on Soviet Jews who had been refused emigration on grounds of having dealt with classified information. The information was relatively innocuous, but we speculate that the Soviets may allege that Shcharanskiy passed "state secrets." In so doing, they would avoid directly challenging your statement that Shcharanskiy had no connection with the CIA.

Legislation. As you know, the Senate is spending the week on foreign policy legislation. In the debate on International Financial Institutions (IFIs) yesterday, the Humphrey human rights provision survived by a vote of 50 to 43, but a Dole amendment prohibiting IFI loans

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to Viet-Nam, Cambodia and Laos was adopted 56 to 32. Dole had virtually solid Republican support, and a reasonably broad spectrum of Democrats including the Majority Leader. We forestalled a similar amendment on the bilateral aid authorization today by offering a less-damaging substitute which extends the existing prohibition on direct aid but permits indirect assistance.

The Dole amendment language does not occur in the House-passed version of the IFI authorization. There is some chance, therefore, that we can strike it in conference. This will be next to impossible, however, if the House adopts a similar amendment on the Foreign Operations Appropriations bill which will be debated at the beginning of next week.

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Korean withdrawal is the next major trouble spot in the Senate. The State Department Authorization, which will be debated tomorrow, contains a McGovern amendment supporting the withdrawal policy. Howard Baker intends to introduce an amendment to strike the McGovern language which will prompt a debate over Korea withdrawal policy. Our tactic will be to broaden the McGovern amendment to insure adequate assessments at each stage of the withdrawal plus regular Congressional consultation. We have passed the word to Senator Byrd that Baker's amendment represents a direct challenge to Administration policy and asked him to tell us what he will support if he cannot support the broadened McGovern language. Meanwhile, the Senate Foreign Relations Committee has scheduled Stan Turner to testify next Monday on the assessments behind our withdrawal decision. Phil Habib and General Brown will then return to the Committee to support our policy.

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